

ANALYSIS OF INTERNAL AND EXTERNAL FACTORS AND SUSTAINABILITY-BASED STRATEGIC RECOMMENDATIONS AT PT BNI LIFE INSURANCE (INDONESIAN LIFE INSURANCE INDUSTRY)

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Received: 27/08/2026 | Revised: 02/09/2026 | Accepted: 16/09/2026 | Published: 10/10/2026

Abstract

The Indonesian life insurance industry is currently facing a structural turning point driven by the convergence of three business environment dynamics: the adoption of the insurance contract accounting standard PSAK 117/IFRS 17 effective 1 January 2025, the phased minimum equity requirement under OJK Regulation Number 23 of 2023, and macroeconomic pressure from Bank Indonesia benchmark interest rate increases throughout the first half of 2026. This study aims to analyze the internal and external environmental factors of PT BNI Life Insurance, a life insurance industry. insurance subsidiary of PT Bank Negara Indonesia (Persero) Tbk group that maintains a strategic partnership with Sumitomo Life Insurance Company, and to formulate sustainability-based strategic recommendations. The study employs a descriptive-qualitative approach with a single case study strategy based on secondary data. The internal environment is analyzed using the Strengths-Weaknesses-Opportunities-Threats (SWOT) framework enriched with the Resource-Based View perspective, while the external environment is analyzed using the PESTEL framework. The findings indicate that BNI Life possesses significant strengths in capital backing and bancassurance distribution from the BNI Group, along with actuarial expertise transfer from Sumitomo Life, but faces challenges from distribution channel concentration, dual regulatory transformation pressure, and Indonesia's persistently low insurance penetration, which remains around 2.72 percent of GDP. The proposed strategic recommendations include accelerating minimum equity fulfillment, accelerating digital transformation leveraging the BNI banking ecosystem, diversifying pure protection and sharia products, strengthening insurance literacy, and integrating Environmental, Social, and Governance (ESG) principles into investment policy and corporate reporting.

Keywords: SWOT analysis; PESTEL; life insurance; PSAK 117; sustainability

1. INTRODUCTION

The Indonesian financial services industry, particularly the insurance sector, is undergoing a phase of structural transformation characterized by simultaneous changes in capital regulations, financial reporting standards, and macroeconomic pressures. Starting in 2025, all insurance and reinsurance companies operating in Indonesia are required to implement Statement of Financial Accounting Standards (PSAK) 117 concerning Insurance Contracts, a full adoption of International Financial Reporting Standard (IFRS) 17 (Indonesian Institute of Accountants, 2020; International Accounting Standards Board, 2017). This standard fundamentally changes the way insurers recognize revenue, contract liabilities, and contractual service margin (CSM), a liability component representing unrealized future profits from a portfolio of outstanding insurance contracts, which is recognized incrementally over the insurance period rather than all at once at policy issuance, as was previously the practice. The change in recognition basis has a direct impact on the capital structure and reported profit and loss profile (Kontan.co.id, 2026), because profits that were previously recognized in advance are now retained in the CSM and only realized over time, thus requiring significant adjustments to the insurance company's reporting, actuarial, and financial governance systems. In conjunction with the accounting transformation, the Financial Services Authority (OJK) issued POJK Number 23 of 2023, which requires all insurance companies to meet minimum equity requirements in stages, with the first stage at the end of 2026 and the second stage based on the clustering of Insurance Company Groups based on Equity (KPPE) in 2028 (Kontan.co.id, 2024a). Since the initial launch of this provision, the OJK has consistently emphasized the industry's commitment to meeting minimum capital before the 2026 deadline (Kontan.co.id, 2024b), and the development of the level of compliance can be tracked gradually: in October 2025, 109 of the total insurance and

reinsurance companies had met the minimum equity requirements (Kontan.co.id, 2025a), a figure that then increased to 112 out of 144 companies (77.8 percent) in November 2025 (Kontan.co.id, 2025c). This gradual upward trend indicates that most industry players are moving towards compliance, but the remaining 22.2 percent of companies that have not yet met the requirements could potentially face consolidation pressures ahead of the year-end deadline (Kontan.co.id, 2026). On the macroeconomic side, Bank Indonesia implemented a rapidly changing monetary policy throughout 2025-2026. After cutting the BI Rate to 4.75 percent in early 2026 to encourage domestic economic growth while maintaining exchange rate stability (Bank Indonesia, 2026), Bank Indonesia raised it again to 5.25 percent in May 2026 and is projected to rise to around 6 percent in July 2026 to maintain rupiah exchange rate stability amid external pressures (Bisnis.com, 2026a, 2026b). These interest rate dynamics are two-sided for the life insurance industry: on the one hand, they suppress credit growth and public purchasing power, potentially hampering the sale of new insurance products, but on the other hand, they increase the returns on fixed-income investment instruments such as Government Securities (SBN), which form the basis for the majority of investment portfolios of national life insurance companies.

Industry performance throughout 2025 shows a gradual recovery pattern. At the beginning of the year, the Indonesian Insurance Association (AAJI) reported that the life insurance industry began 2025 with positive performance, marked by increased customer confidence and continued growth in premiums and the number of insured (AAJI, 2025a), a trend later confirmed in the first-half 2025 report, which emphasized the industry's resilience amid external pressures (AAJI, 2025b). Premium income data for the first quarter of 2025 also recorded 3.2 percent annual growth (Antara News, 2025). This accumulated performance throughout the year is then reflected in the full-year 2025 performance report, with total revenue reaching IDR 238.71 trillion (+9.3 percent yoy), although total premium income declined slightly by 1.8 percent due to a shift in consumer preference from new business premiums to regular continuation premiums, which actually grew by 7.8 percent (AAJI, 2026). This shift in preferences indicates a shift in customer consumption patterns from short-term investment products to long-term, sustainable protection products. National insurance penetration is still around 2.72-2.75 percent of Gross Domestic Product (GDP), with a wide gap between general financial literacy (66.46 percent) and insurance inclusion literacy which is much lower (OJK & BPS, 2025; Kontan.co.id, 2025b; Youngster.id, 2026), a condition that a number of industry observers have also linked to the medium-term structural challenges of the national economy in the second half of 2026 (Sekolapedia, 2026).

PT BNI Life Insurance was chosen as the unit of analysis because it represents the archetype of a life insurance company resulting from a strategic bank-insurance partnership (bancassurance joint venture) in Indonesia, between PT Bank Negara Indonesia (Persero) Tbk (60 percent) and Sumitomo Life Insurance Company (39.999993 percent) since May 9, 2014 (AAJI, 2025c; LinkedIn BNI Life, 2025). This mixed ownership structure presents unique characteristics rarely found in pure local or pure multinational insurance companies: on the one hand, it gains access to capital and a national-scale domestic distribution network through the largest state-owned banking business group, and on the other hand, it obtains the transfer of actuarial, risk management, and governance expertise from an experienced international life insurance strategic partner. This hybrid characteristic makes BNI Life representative of a number of similar players in the Indonesian life insurance industry that also take the form of bank-insurance partnerships, so that the research findings have the potential to have broader relevance beyond the context of a single company.

Based on this background, the formulation of the research problem includes: (1) how is the internal environmental condition of BNI Life reviewed from the strategic strengths and weaknesses it has; (2) how is the external environmental condition reviewed from the Political, Economic, Social, Technological, Environmental, and Legal (PESTEL) factors that affect the company; (3) what empirical data supports and strengthens the analysis of internal and external conditions; and (4) what sustainability-based strategic recommendations are most relevant for BNI Life management and stakeholders in the life insurance industry more broadly. This research aims to identify internal factors through a SWOT approach enriched with a Resource-Based View perspective, identify external factors through a PESTEL approach, integrate empirical data into the analysis, and formulate sustainability-based strategic recommendations for BNI Life management and stakeholders in the life insurance industry more broadly. Theoretically, this research is expected to enrich the strategic management literature in the context of the non-bank financial services industry in developing countries, especially in the bancassurance joint venture segment which has not been studied specifically; practically, the results of the analysis are expected to be a consideration for the management and board of commissioners of life insurance companies and regulators in formulating more adaptive transition policies. The urgency of this study lies in the convergence of three business environment dynamics that occurred almost simultaneously: accounting standards transformation, capital regulation transformation, and macroeconomic volatility, a rare simultaneous occurrence in the regulatory history of the Indonesian financial services industry. Previous studies related to SWOT and PESTEL analysis in the financial services sector generally

discussed a generic analytical framework (Ghazinoory, Abdi, & Azadegan-Mehr, 2011) or focused on aggregate industry data without in-depth elaboration at the individual company level. Single case studies, as proposed by Yin (2018), are considered suitable for exploring contextual phenomena such as this, because they allow for an in-depth understanding of the complex interactions between a company's internal characteristics and time-specific external environmental pressures. The research gap that this study attempts to fill is the lack of case study-based analysis that explicitly integrates these three regulatory-accounting-macroeconomic dynamics into a sustainable strategy framework in the context of life insurance companies resulting from bank-insurance partnerships in Indonesia. The scope of this study is limited to an analysis of the internal and external environment of PT BNI Life Insurance for the period 2024 to mid-2026, with particular emphasis on the impact of the convergence of PSAK 117, POJK 23/2023, and the dynamics of Bank Indonesia's benchmark interest rate. This study does not include an in-depth analysis of segmented financial performance per product line or quantitative financial projections after the implementation of PSAK 117, considering that such granular data had not been publicly published by the company at the time of the study. This study is also not intended to provide an assessment of BNI Life's legal compliance or actual capital adequacy with the provisions of POJK 23/2023, but rather is limited to analyzing the company's strategic readiness based on publicly available data. Readers should consider these limitations in interpreting the scope and generalization of the study's findings.

This article is structured into five main sections. The second section presents a literature review outlining the theoretical foundations of strategic management, the SWOT and Resource-Based View frameworks, the PESTEL framework, the concept of corporate sustainability through the Triple Bottom Line and stakeholder theory, and the regulatory framework and accounting standards of the Indonesian insurance industry. The third section describes the research methods used, including the research design, objects and units of analysis, data types and sources, data collection techniques, data analysis techniques, and methodological validity and limitations. The fourth section presents the results and discussion, consisting of the organizational profile of PT BNI Life Insurance, an internal environmental analysis using the SWOT framework, an external environmental analysis using the PESTEL framework, a synthesis of the TOWS matrix and sustainability-based strategic recommendations, managerial and policy implications, and a discussion of the relationship between the findings and the theoretical framework. The fifth section contains the research conclusions, implications for management and regulators, research limitations, and suggestions for further research.

2. LITERATURE REVIEW

2.1 Strategic Management and Environmental Scanning

The environmental scanning process is generally divided into two approaches: a reactive approach, where an organization adjusts its strategy after environmental changes occur and have a significant impact on performance; and a proactive approach, where an organization systematically monitors early signals of environmental change and adjusts its strategy before the full impact of those changes is realized. The context of the Indonesian life insurance industry, which is facing the convergence of PSAK 117, POJK 23/2023, and the dynamics of benchmark interest rates, demands a proactive approach, given that explicitly set regulatory deadlines provide a limited window of time for companies to make strategic adjustments. Companies that adopt a reactive approach risk facing sudden compliance pressures close to deadlines, while companies that adopt a proactive approach have more room to plan for a gradual and measured transition.

Strategic management is essentially a continuous process of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its long-term goals (David, 2017). This process is cyclical and never truly complete, because organizations constantly operate in a constantly changing environment, so that strategies formulated in one period have the potential to become obsolete in the next. A dynamic business environment requires organizations to conduct environmental scanning both internally and externally as a basis for formulating adaptive strategies (Wheelen & Hunger, 2017). Internal environmental scanning focuses on identifying the organization's resources, capabilities, and core competencies, while external environmental scanning focuses on identifying opportunities and threats originating from factors beyond the organization's direct control. Organizations that fail to align their strategies with environmental changes tend to experience strategic drift, a condition where organizational strategies gradually lose relevance to environmental demands without management realizing it, so that the gap between strategy and the environment widens and ultimately has a significant impact on organizational performance.

2.2 Internal Environmental Analysis: SWOT Framework and Resource-Based View

Internal environmental analysis commonly uses the Strengths-Weaknesses-Opportunities-Threats (SWOT) framework which can be enriched with the Resource-Based View (RBV) perspective proposed by Barney (1991). RBV argues that sustained competitive advantage does not solely stem from an organization's position in the market, but from its internal resources, provided that these resources meet four criteria known by the acronym VRIO: valuable, namely resources that enable an organization to exploit opportunities or neutralize threats; rare, namely resources that are not widely owned by competitors; inimitable, namely resources that are structurally difficult or expensive for competitors to replicate in a short time; and organized, namely resources supported by systems, processes, and organizational structures that enable their optimal utilization. In the context of a life insurance company resulting from a bank-insurance partnership, relevant strategic resources analyzed using VRIO criteria include the bancassurance distribution network, capitalization and shareholder support, actuarial and risk management capabilities transferred from international strategic partners, information technology systems, and trust capital built from the parent company's reputation. These resources are generally difficult to replicate by pure insurtech competitors without banking affiliations, or by conventional insurance competitors without equivalent international strategic partners.

The SWOT framework has the advantages of simplicity and flexibility that allow it to be applied to various types of organizations and industries, but this framework also has methodological limitations when used alone without the support of quantitative empirical data, because it has the potential to be trapped in subjective and purely descriptive assessments (Ghazinoory, Abdi, & Azadegan-Mehr, 2011). Therefore, this study seeks to strengthen the SWOT analysis by integrating actual company financial and operational performance data as well as aggregate industry data as an empirical basis for assessing strengths and weaknesses, rather than relying solely on descriptive qualitative assessments.

The application of RBV to a SWOT analysis is not simply a matter of adding a VRIO label to a list of strengths and weaknesses; it also changes the way an organization prioritizes its resources. Resources that meet all four VRIO criteria are worth maintaining and strengthening as the basis for long-term strategy, while resources that are valuable but not rare or easily imitated provide only a temporary competitive advantage that needs to be continuously renewed to avoid being eroded by competitors. Thus, the integration of RBV into the SWOT analysis in this study serves not only a descriptive function but also a prescriptive one, providing direction regarding which resources should be prioritized for investment and strengthening the organization going forward.

2.3 External Environment Analysis: PESTEL Framework

The external environment analysis uses the PESTEL framework, which includes six dimensions: Political, Economic, Social, Technological, Environmental, and Legal (Wheelen & Hunger, 2017). The Political dimension includes government policies and sector regulatory directions that affect the business climate; the Economic dimension includes macroeconomic indicators such as gross domestic product growth, inflation, and benchmark interest rates; the Social dimension includes demographic changes, lifestyles, and public literacy levels; the Technological dimension includes the rate of innovation and adoption of digital technologies that affect business models; the Environmental dimension includes ecological sustainability issues and related reporting obligations; and the Legal dimension includes the legal framework and regulatory compliance that binds the organization's operations. In highly regulated financial services industries like insurance, political and legal dimensions have a relatively greater influence than in other sectors, as regulatory changes can directly alter a company's capital cost structure and business model (Rejda & McNamara, 2021). This characteristic distinguishes PESTEL analysis in the insurance sector from other, less regulated sectors, as insurers' strategic decisions are often driven more by regulatory compliance than by purely competitive market dynamics. The interaction between PESTEL dimensions also needs to be considered; for example, the benchmark interest rate policy (Economic dimension) set by the monetary authority interacts with the capital policy (Legal dimension) set by the financial services supervisory authority, creating a combined effect on the insurance company's financial condition that cannot be fully understood if each dimension is analyzed separately. The nature of the PESTEL framework also needs to be understood as a dynamic, not a static, analytical tool. The weight of each PESTEL dimension's influence on an organization can change over time depending on the prevailing business environment. For example, in normal times without major regulatory changes, the Economic and Social dimensions tend to be more dominant in influencing an insurance company's strategic decisions. However, in periods of regulatory transition, such as the one currently facing the Indonesian life insurance industry, the Legal and Political dimensions become much more dominant. Consequently, PESTEL analysis should ideally be conducted periodically and not treated as a one-off snapshot, but rather as a continuous process of environmental scanning as the regulatory and macroeconomic context changes.

2.4 Corporate Sustainability Concept: Triple Bottom Line and Stakeholder Theory

The concept of corporate sustainability is often referred to through the Triple Bottom Line (TBL) framework proposed by Elkington (1997), which emphasizes that organizational performance needs to be measured simultaneously across the Profit, People, and Planet dimensions, not solely on the financial dimension. The Profit dimension refers to the sustainability of the organization's long-term economic performance and regulatory compliance; the People dimension refers to the organization's contribution to the social welfare of stakeholders, including expanding access to products and services that benefit the wider community; and the Planet dimension refers to the organization's responsibility for environmental sustainability, including through investment allocation decisions. Freeman (1984) through stakeholder theory also strengthens the argument that the sustainability of life insurance companies must consider the interests of multiple stakeholders in a balanced manner, including customers, shareholders, regulators, employees, and the wider community, rather than simply maximizing short-term shareholder value. For life insurance companies, the application of sustainability principles has twofold relevance: first, as providers of financial protection that play a direct role in the social welfare of the community (the People dimension); and second, as long-term institutional investors that manage large volumes of premium funds so that their investment allocation decisions have a significant impact on the direction of sustainable development financing (the Planet dimension).

The relevance of TBL and stakeholder theory for the life insurance industry is also reflected in the increasingly close link between sustainability performance and long-term financial performance. Insurance companies that integrate Environmental, Social, and Governance (ESG) principles into their investment and reporting policies not only meet normative stakeholder expectations but also have the potential to reap concrete benefits in the form of reduced reputational risk, strengthened trust capital in the eyes of customers and regulators, and better access to sustainable financing instruments that are increasingly developing in the Indonesian financial market. Therefore, the TBL and stakeholder theory framework in this study is not positioned merely as a normative obligation, but rather as an integral part of a sustainable business strategy that supports the resilience of life insurance companies in facing the pressures of a constantly changing business environment.

2.5 Regulatory Framework and Accounting Standards for the Indonesian Insurance Industry

The legal framework for the Indonesian insurance industry culminates in Law Number 40 of 2014 concerning Insurance (Republic of Indonesia, 2014), which serves as the primary legal umbrella for all derivative regulations in this sector. This law is further elaborated through Financial Services Authority Regulation (POJK) Number 23 of 2023 concerning Business Licensing and Institutions of Insurance Companies, Sharia Insurance Companies, Reinsurance Companies, and Sharia Reinsurance Companies (Financial Services Authority, 2023), which includes provisions for a gradual increase in minimum equity. In parallel, the Indonesian Institute of Accountants (IAIC) established PSAK 117 as a full adoption of IFRS 17 (International Accounting Standards Board, 2017), effective January 1, 2025 (IAIC, 2020). PSAK 117 requires insurance companies to measure insurance contract liabilities based on estimates of discounted future cash flows, plus a risk margin and a contractual service margin, a measurement approach that is much more complex than previous accounting standards and requires more sophisticated actuarial capabilities and information systems.

The interaction between these two regulations creates dual capital pressures: on the one hand, PSAK 117 has the potential to alter the reported equity structure due to changes in the basis for recognizing liabilities and profits; on the other hand, POJK 23/2023 requires that a minimum equity threshold be met regardless of the impact of the change in accounting basis. The combination of the two is predicted to drive a wave of consolidation, mergers, and acquisitions in the national life and general insurance industry (Sentanabroker.co.id, 2025), especially for companies that lack a strong capital foundation or the support of strategic shareholders capable of injecting additional capital quickly.

The precedent of a wave of consolidation due to capital pressures is not a new phenomenon in the history of Indonesian financial services regulation; however, the convergence of changes in accounting standards (PSAK 117) and changes in capital requirements (POJK 23/2023) that occurred almost simultaneously makes this transformational pressure more complex than previous periods of consolidation, which were generally triggered by only one type of regulatory change. Insurance companies that are able to simultaneously meet both regulatory demands have the potential to gain a competitive advantage relative to competitors still struggling to meet one or both requirements, as non-compliant competitors' managerial and financial resources will be more focused on compliance rather than growth and innovation.

2.6 Synthesis of the Analysis Framework and Study Gaps

The synthesis of the five subsections of the literature review above produces an integrated analytical framework used in this study: internal environmental analysis through SWOT enriched with RBV/VRIO is used to map BNI Life's strategic strengths and weaknesses; external environmental analysis through PESTEL is used to map opportunities and threats originating from political, economic, social, technological, environmental, and legal factors; both frameworks are then synthesized through the TOWS matrix to formulate alternative strategies; and all resulting strategic recommendations are aligned with sustainability principles through the Triple Bottom Line framework and stakeholder theory. This integrated analytical framework attempts to fill the research gap outlined in the introduction, namely the lack of company-level case studies that explicitly link regulatory-accounting-macroeconomic dynamics with the formulation of sustainable strategies in the context of bancassurance joint ventures in Indonesia.

The interrelationships between the five theoretical frameworks outlined in subsections 2.1 to 2.5 can be understood as a complementary logical flow. The strategic management and environmental scanning frameworks (subsection 2.1) provide a conceptual framework for organizations to continuously scan their internal and external environments. The SWOT and RBV frameworks (subsection 2.2) and the PESTEL framework (subsection 2.3) then provide concrete analytical instruments for conducting such scans, at the internal and external levels of the organization, respectively. The TBL framework and stakeholder theory (subsection 2.4) provide evaluative criteria for the formulated strategic direction, ensuring that the resulting strategic recommendations are not solely oriented towards short-term financial performance. The regulatory framework and accounting standards (subsection 2.5) provide an industry-specific context that shapes the strategic constraints and opportunities available to life insurance companies in Indonesia during the period of this research. Together, these five frameworks form a comprehensive theoretical foundation for the empirical analysis in the results and discussion sections.

3. RESEARCH METHODS

3.1 Research Design

This research was conducted using a descriptive-qualitative approach with a single case study strategy at PT BNI Life Insurance, based on the contextual nature of the problem and requiring a deep understanding of the interaction of various internal and external factors of the organization (Yin, 2018). The case study was chosen because the boundaries between the phenomenon studied, namely the strategic response of life insurance companies to the convergence of regulatory, accounting, and macroeconomic pressures, and its context are unclear (blurred), so that an experimental approach or large-scale survey is less suitable to capture the complexity and depth of the phenomenon. The descriptive-qualitative approach was chosen because the purpose of this study is not to test causal hypotheses, but rather to map and describe the conditions of the internal and external environment of the organization comprehensively as a basis for formulating strategic recommendations.

3.2 Research Objects and Units of Analysis

The object of this research is PT BNI Life Insurance, a life insurance company resulting from a strategic partnership between PT Bank Negara Indonesia (Persero) Tbk and Sumitomo Life Insurance Company. The research analysis unit covers two levels: the organizational level (BNI Life's internal conditions, including resources, capabilities, products, and distribution channels) and the industry level (external conditions that affect all players in the national life insurance industry, including BNI Life). The selection of these two levels of analysis units allows the research to capture both the specific characteristics of the company and the broader industry context in which the company operates.

3.3 Types and Sources of Data

The data used is entirely sourced from official secondary data, including: (1) regulatory publications from the Financial Services Authority and the Indonesian Institute of Accountants, which serve as the primary reference for understanding the applicable legal framework and accounting standards; (2) periodic industry performance reports from the Indonesian Life Insurance Association (AAJI) for the first quarter of 2025 to the full year of 2025, which serve as the quantitative database for industry performance; (3) publications of Bank Indonesia's monetary policy for the 2025-2026 period, which serve as a reference for understanding macroeconomic dynamics; (4) the results of the 2025 National Survey on Financial Literacy and Inclusion (SNLIK) by the OJK and the Central Statistics Agency, which serve as the database for the level of public insurance literacy and inclusion; (5) verified corporate publications and financial media coverage regarding the performance of PT BNI Life Insurance for the 2024-2026 period, which serve as the company-specific database; and (6) strategic management academic literature as a theoretical framework for analysis.

3.4 Data Collection Techniques

Data collection was conducted through desk research on these secondary sources. The source screening process was carried out based on two main criteria: credibility, prioritizing official publications from authoritative institutions (OJK, Bank Indonesia, AAJI, Indonesian Institute of Accountants) and financial media with verified reputations; and recency, prioritizing data and publications from the 2023-2026 period to ensure the analysis reflects the current business environment relevant to the ongoing regulatory convergence context. The collected data was then organized into a thematic compilation matrix to facilitate the categorization process in the next analysis stage.

3.5 Data Analysis Techniques

The data analysis technique was carried out in three stages. The first stage is the compilation and triangulation of data from various secondary sources, namely the process of comparing and confirming the consistency of data originating from different sources to increase the reliability of the findings; for example, national insurance penetration data was cross-confirmed between publications from OJK & BPS (2025), Kontan.co.id (2025b), and Youngster.id (2026) to ensure the consistency of the reported figures. The second stage is the categorization of data into the SWOT framework for internal factors and PESTEL for external factors, where each data finding is mapped into the most relevant category based on the nature and source of the factor. The third stage is the synthesis of both frameworks into the TOWS (Threats-Opportunities-Weaknesses-Strengths) matrix to formulate alternative strategies prioritized based on their relevance to the principles of sustainability, taking into account the cross-interaction between strengths-opportunities (SO strategies), strengths-threats (ST strategies), weaknesses-opportunities (WO strategies), and weaknesses-threats (WT strategies).

The operationalization of variables in this study was carried out by mapping each empirical indicator into predetermined analysis categories. For the SWOT analysis, indicators such as ownership structure, total assets, number of service offices, distribution channel composition, and product performance were mapped into strengths or weaknesses based on their comparison with industry averages and similar competitors. For the PESTEL analysis, indicators such as the BI Rate, economic growth, insurance literacy and inclusion rates, internet penetration, and regulatory provisions were mapped into six PESTEL dimensions based on the nature and source of the factors. This operationalization approach ensures that the data categorization process during the analysis stage is carried out systematically and can be traced back to the original data sources.

3.6 Data Validity and Methodological Limitations

The validity of the data in this study was achieved through source triangulation, which involves comparing data from various sources (regulators, industry associations, media, corporate publications) to obtain a more comprehensive picture and reduce bias from a single source. A methodological limitation of this study is the lack of direct interviews with BNI Life management, so the analysis of the company's internal conditions relies entirely on published secondary data and may not cover all internal and unpublished strategic aspects. This limitation was mitigated by cross-checking corporate data with aggregate industry data from AAJI and OJK as validation proxies, consistent with the practice of document-based strategic analysis commonly used in single-case study-based strategic management research when direct access to internal organizational informants is limited.

Ethical considerations in this secondary data-based research are pursued through two main principles. First, all cited data and information are explicitly cited, following academic citation rules, to respect the intellectual property rights of the original data owners and to enable verifiability by readers. Second, the interpretations and analyses presented in this study represent the author's independent views, compiled based on publicly available data, and do not represent the official views of the management of PT BNI Life Insurance, PT Bank Negara Indonesia (Persero) Tbk, or Sumitomo Life Insurance Company. This principle of prudence is important to emphasize, given that the study uses specific company names as units of analysis. Therefore, the interpretations and recommendations presented should be understood as academic studies and not statements of affiliation or official representation of the entities concerned.

4. RESULTS AND DISCUSSION

4.1 Organizational Profile of PT BNI Life Insurance

As part of the PT Bank Negara Indonesia (Persero) Tbk business group, BNI Life's positioning also needs to be understood in the context of the BNI business group's broader strategy, which positions the insurance business line as part of an integrated financial services ecosystem (universal banking ecosystem) alongside conventional banking, sharia, securities, and multifinance business lines. This positioning allows BNI Life to gain cross-selling benefits from BNI's broad banking customer base, while simultaneously facing expectations of contribution to the

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business group's consolidated performance, which also influences the company's strategic priorities over time. PT BNI Life Insurance (BNI Life) was initially established under the name PT Asuransi Jiwa BNI Jiwasraya based on Notarial Deed Number 24 dated November 28, 1996, and obtained a life insurance business license from the Minister of Finance based on Decree Number 305/KMK.017/1997 (AAJI, 2025c; Indonesian Wikipedia, 2026). The company's initial name, which combines the elements "BNI" and "Jiwasraya," reflects the background of its establishment as a result of cooperation between two state-owned enterprises at that time. The company changed its name to PT BNI Life Insurance on November 26, 2004, a rebranding step that marked a new phase in the company's positioning as a stand-alone entity under the umbrella of the BNI business group. The most important strategic turning point in the company's journey occurred on May 9, 2014, when BNI Life transformed into a joint venture with an ownership structure of PT Bank Negara Indonesia (Persero) Tbk (60 percent), Sumitomo Life Insurance Company (39.999993 percent), and the remainder owned by the BNI Employee Welfare Foundation (YKP) and the Danar Dana Swadharma Foundation (LinkedIn BNI Life, 2025). This ownership transformation is not just a change in capital structure, but also opens access to knowledge transfer in the fields of actuarial, risk management, and governance from international strategic partners who have a long track record in the global life insurance market.

BNI Life operates an integrated financial services business model that provides life, health, education, investment (unit link), pension, and sharia insurance products, marketed through four distribution channels: Agency, Bancassurance, Employee Benefits, and Sharia (AAJI, 2025c). These four distribution channels reflect a diversification strategy that allows the company to reach different customer segments, ranging from individual retail customers through Agency and Bancassurance channels, to corporate customers through Employee Benefits channels. As of the end of 2024, BNI Life operated one service office, six service points, and one operational office (Wikipedia Bahasa Indonesia, 2026), a relatively slim physical service network footprint compared to the scale of assets it manages, indicating a distribution strategy that relies more on the BNI Group branch network than building an extensive network of separate insurance service offices. By the end of June 2026, BNI Life recorded total assets of IDR 29.19 trillion, with an investment portfolio of IDR 28.08 trillion and non-investment assets of IDR 1.12 trillion (Investortrust.id, 2026), leading BNI Life to win the Investortrust Best Insurance 2026 award for assets above IDR 25 trillion — an external recognition that strengthens the company's position as a significant player in the large-scale life insurance segment in Indonesia. In terms of service innovation, BNI Life developed the Eazy Claim digital claim feature that processes claims up to IDR 10 million in 25 minutes, with claim realization of around IDR 967 billion in the first quarter of 2024 (Lifepal.co.id, 2026), a breakthrough that responds to modern customer expectations for speed and ease of the claims process, which is increasingly becoming a competitive differentiation factor in the life insurance industry. A summary of the performance of the national life insurance industry in 2025 is presented in Table 1.

Table 1. Summary of Indonesian Life Insurance Industry Performance in 2025

Indicator	2025 Values/Achievements	Growth (yoy)
Total industry revenue	Rp238.71 trillion	+9.3%
Total premium income	Rp181.27 trillion	-1.8%
Regular new business premium	grow compared to 2024	+7.8%
Number of insured	168.03 million people	+8.6%
Traditional premiums	Rp113.03 trillion	+2.4%
Unit link premium	Rp68.24 trillion	-8.2%
Total industrial investment	Rp590.54 trillion	up from Rp. 541.55 T
Investment results	Rp47.32 trillion	+103.1%
Claims and benefits paid	Rp146.73 trillion (9.59 million recipients)	-7.8%

Source: processed from AAJI (2026), Poros Jakarta (2026), Readers.id (2026a).

Comparing BNI Life's asset scale of IDR 29.19 trillion (Investortrust.id, 2026) with the industry's total investment scale of IDR 590.54 trillion (AAJI, 2026), BNI Life can be positioned as a medium-large player contributing around five percent to the total investment of the national life insurance industry, a significant share

considering the number of industry players reaching more than one hundred insurance and reinsurance companies (Kontan.co.id, 2025c). The industry's investment return growth of 103.1 percent throughout 2025 (AAJI, 2026) is also relevant for BNI Life considering the composition of the company's investment portfolio that dominates its total assets (IDR 28.08 trillion out of a total of IDR 29.19 trillion), so that BNI Life proportionally enjoys the momentum of increasing industry investment returns driven by dominant placement in SBN instruments amidst the trend of rising benchmark interest rates.

Another important development relevant to BNI Life's organizational profile is the highly precise shareholding dynamics of 39.999993 percent for Sumitomo Life (LinkedIn BNI Life, 2025), a figure that is technically just below the 40 percent threshold. This precise ownership structure is common in financial services joint ventures in Indonesia, which are subject to maximum foreign ownership limits, allowing PT Bank Negara Indonesia (Persero) Tbk to maintain its status as controlling shareholder (60 percent) even though Sumitomo Life holds a substantially significant ownership portion. This structural implication is relevant to understand in the context of joint venture governance, where strategic control remains with domestic shareholders, even though the contribution of technical expertise and knowledge transfer from international partners continues to play a significant role in the company's day-to-day operations.

4.2 Internal Environmental Analysis (SWOT)

The capital and distribution network support from the BNI business group is a strategic resource that meets all four VRIO criteria (Barney, 1991): valuable, because it allows BNI Life to reach a broad customer base of BNI banking without having to build a distribution network from scratch; rare, because it is relatively rare among non-bank competitors that do not have equivalent banking affiliations; difficult to imitate quickly, because building trust and operational integration with a national banking network takes years; and organized, because it has been formalized through a structured and long-standing bancassurance scheme. The strategic partnership with Sumitomo Life since 2014 provides BNI Life with access to internationally standardized actuarial, risk management, and governance expertise (LinkedIn BNI Life, 2025), a form of intangible resource that also meets the VRIO criteria because this combination of specific expertise and institutional network of relationships is difficult for competitors to replicate quickly. Solid asset performance is reflected in total assets of IDR 29.19 trillion as of June 2026, diversified product lines and complete distribution channels, innovative digital claims services Eazy Claim, and a reputation for governance recognized externally through the Investortrust Best Insurance 2026 award, which also strengthens BNI Life's trust capital (Investortrust.id, 2026; AAJI, 2026; Lifepal.co.id, 2026), which in turn serves as a reputational resource that supports retention and acquisition of new customers.

On the other hand, BNI's high dependence on bancassurance channels has the potential to create a distribution concentration risk: if at any time there is a change in BNI Group's internal policy regarding the priority of bancassurance products, or if banking regulations limit the practice of cross-selling insurance products through the bank network, BNI Life could potentially face significant disruption to its sales performance. BNI Life's relatively limited physical service network reach compared to other multinational players (Indonesian Wikipedia, 2026) also contributes to a structural weakness that could potentially limit the company's ability to serve customer segments that still prioritize face-to-face interactions, particularly in complex claims processes or elderly customers who are less familiar with digital channels. BNI Life also faces exposure to the industry's downward trend in unit-linked products by 8.2 percent throughout 2025 (AAJI, 2026), considering that unit-linked products have historically been one of the mainstay product lines of insurance companies resulting from bank-insurance partnerships; the shift in market preference from unit-linked to traditional products requires adjustments to product strategies that are not instantaneous. The dual transformation burden of PSAK 117 and POJK 23/2023 simultaneously requires significant investment in information systems, actuarial capabilities, and reporting processes within a limited timeframe. While the complexity of governance as a joint venture that requires alignment of interests and decision-making processes between two major shareholders with different corporate backgrounds can slow the company's strategic response speed compared to competitors with a single ownership structure. The maturity of digitalization that is not yet on par with insurtech natives is also a weakness that needs to be considered, considering that pure technology-based competitors generally have the advantage of digital innovation speed that is not burdened by legacy systems as is commonly faced by conventional insurance companies. In addition to these strengths and weaknesses, internal strategic potential was identified in the form of cross-selling of sharia products through BNI's sharia banking customer base, utilizing customer data for risk analytics-based products, and strengthening internal capital through optimizing investment returns that grew 103.1 percent in 2025 (AAJI, 2026). A summary of the SWOT matrix is presented in Table 2.

Table 2. SWOT Matrix of PT BNI Life Insurance

Strengths	Weaknesses
1. Capital support and distribution network of BNI Group 2. Strategic partnership with Sumitomo Life (actuarial transfer & governance) 3. Total assets of IDR 29.19 trillion (June 2026), recognized by Investortrust Best Insurance 2026 4. Diversification of complete product lines (life, health, education, investment, pension, sharia) 5. Four distribution channels (Agency, Bancassurance, Employee Benefits, Sharia) 6. Eazy Claim digital claim service (25 minutes) 7. Externally recognized governance reputation (multi-awards)	1. Concentration on BNI's bancassurance channel 2. Limited physical service network (1 service office, 6 service points) 3. Exposure to the downward trend of unit link products (-8.2% industry, 2025) 4. Double transformation burden: PSAK 117 and POJK 23/2023 together 5. Complexity of governance as a joint venture 6. Digitalization maturity is not yet on par with native insurtech

Source: processed by the author from AAJI (2025c, 2026), Investortrust.id (2026), Lifepal.co.id (2026), LinkedIn BNI Life (2025), Indonesian Wikipedia (2026).

4.3 External Environment Analysis (PESTEL)

In the Political dimension, the Financial Services Authority (OJK) has launched the Roadmap for the Development and Strengthening of the Indonesian Insurance Industry 2023-2027 to increase public trust, strengthen capital, and encourage healthier governance (Antara News, 2023). In the Economic dimension, Indonesia's economic growth in 2026 is projected to slow to the range of 5.0-5.2 percent as the BI Rate increases to the range of 5.75-6 percent, with inflation controlled at the range of 3.08-3.09 percent (Kompas.com, 2026; Bisnis.com, 2026a, 2026b; Bank Indonesia, 2026); the dynamics of high interest rates have an ambivalent impact, suppressing purchasing power but increasing industrial investment returns by 103.1 percent in 2025, driven by dominant placement in SBN worth IDR 248.25 trillion or 42 percent of total industrial investment (AAJI, 2026).

In the Social dimension, the number of insured people grew by 8.6 percent to 168.03 million people throughout 2025 (AAJI, 2026), but national insurance penetration is still 2.72-2.75 percent of GDP, far behind neighboring countries (Antara News, 2023; Youngster.id, 2026); the gap between general financial literacy (66.46 percent) and insurance literacy (45 percent) and insurance inclusion (28.5 percent, even dropping from 16.63 percent in 2022 to 12.21 percent in 2024) reflects a widening protection gap (OJK & BPS, 2025; Kontan.co.id, 2025b; Mediaasuransinews.co.id, 2024). In the Technology dimension, internet penetration of 80.66 percent in 2025 supports the acceleration of insurtech-based distribution models (Youngster.id, 2026), with the benchmark being IFG Life's One by IFG platform which has been used by more than 500,000 users.

In the Environmental dimension, life insurance companies have relevance through their role as long-term institutional investors that can direct their investment portfolios to sustainable financial instruments, as well as sustainability reporting obligations in accordance with POJK Number 51 of 2017. In the Legal dimension, Law Number 40 of 2014 serves as the main legal umbrella outlined through POJK 23/2023 concerning gradual minimum equity, with the threat of sanctions in the form of written warnings, a decrease in the company's health level, and/or a reassessment of the main party (Kontan.co.id, 2024a); the implementation of PSAK 117/IFRS 17 also encourages predictions of a wave of mergers and acquisitions approaching the 2026 and 2028 deadlines (Sentanabroker.co.id, 2025). A summary of the PESTEL matrix is presented in Table 3.

Table 3. PESTEL Matrix of PT BNI Life Insurance

Dimensions	Summary of Empirical Findings
Political	Insurance Strengthening Roadmap 2023-2027; consistent implementation of POJK 23/2023; global geopolitical dynamics influencing capital flows.
Economy	Economic growth in 2026 slows to 5.0-5.2%; the BI Rate rises from 4.75% to 5.25% (projected to 6%); inflation is controlled at 3.08-3.09%; industrial investment returns are +103.1% (2025).
Social	The number of insured persons grew 8.6% to 168.03 million; insurance penetration was only 2.72-2.75% of GDP; insurance literacy was 45%, and insurance inclusion was 28.5% (down from 16.63% to 12.21%).
Technology	Internet penetration of 80.66%; OJK's digitalization push; One by IFG digital platform benchmark (>500,000 users).
Environment	The role of long-term institutional investors; sustainability reporting requirements under POJK 51/2017; potential allocation to green instruments.
Legal	Law 40/2014 concerning Insurance; POJK 23/2023 minimum equity in stages (2026 & 2028); PSAK 117/IFRS 17 effective January 1, 2025; non-compliance sanctions.

Source: processed by the author from OJK (2023), Kontan.co.id (2024a, 2024b, 2025b, 2025c, 2026), Bank Indonesia (2026), Bisnis.com (2026a, 2026b), Kompas.com (2026), AAJI (2026), OJK & BPS (2025), Youngster.id (2026), Sentanabroker.co.id (2025).

The interplay between the PESTEL dimensions is particularly relevant for BNI Life, a bancassurance joint venture entity. The Legal and Economic dimensions interact directly: the obligation to gradually fulfill minimum equity (POJK 23/2023) must be met amidst rising benchmark interest rates, which, on the one hand, suppress the cost of funds but, on the other, increase investment returns on government securities (SBN). For BNI Life, this situation is relatively more manageable compared to competitors with limited capital, given the capital support from two large-scale strategic shareholders. The Social and Technological dimensions are also closely interrelated: the low national insurance inclusion rate, which even experienced a downward trend from 16.63 percent in 2022 to 12.21 percent in 2024 (Mediaasuransinews.co.id, 2024), has the potential to be addressed through accelerated digital penetration, given that national internet penetration, which has reached 80.66 percent, provides an adequate infrastructure base for an insurtech-based distribution model. The Environmental dimension, while historically less of a priority for life insurance companies' strategic analysis than the Political, Economic, and Legal dimensions, is becoming increasingly relevant with the increasing pressure of OJK's sustainability regulations and sustainability reporting obligations under POJK 51/2017, as well as stakeholder expectations of the role of insurance companies as responsible institutional investors.

To complement the external environment overview, it should be noted that the six PESTEL dimensions do not have equal weighting of influence on BNI Life. Based on the intensity of their impact on the company's capital structure and business model, as described in subsection 2.3, the Legal and Economic dimensions can be categorized as high-impact dimensions because they are directly related to compliance obligations with POJK 23/2023 and PSAK 117, as well as the dynamics of benchmark interest rates that influence investment returns. The Social and Technological dimensions can be categorized as medium-impact dimensions because they influence medium- to long-term growth potential through customer base expansion and distribution efficiency, but do not directly threaten short-term operational continuity. The Political and Environmental dimensions can be categorized as long-horizon impact dimensions because their impact on BNI Life is more gradual and related to the direction of structural industry policies that require more time to be realized concretely. This categorization of influence weighting levels helps BNI Life management prioritize the allocation of environmental scanning resources more efficiently, with the most intensive monitoring allocated to the Legal and Economic dimensions.

4.4 TOWS Matrix and Sustainability-Based Strategic Recommendations

Based on the results of the SWOT and PESTEL analysis, a TOWS matrix was prepared to formulate four groups of alternative strategies (David, 2017), as presented in Table 4.

Table 4. TOWS Matrix of PT BNI Life Insurance

	Strength (S)	Weakness (W)
Opportunity (O)	SO Strategy: (1) Integration of protection products into BNI's digital banking ecosystem; (2) Diversification of pure and sharia protection products.	WO Strategy: (1) Accelerate digital transformation of customer services; (2) Community-based insurance literacy and education program for BNI Group customers.
Threat (T)	ST Strategy: (1) Accelerating the fulfillment of minimum equity via shareholder support; (2) Strengthening actuarial capabilities and PSAK 117 reporting.	WT Strategy: (1) Diversification of non-bancassurance distribution channels; (2) Evaluation of strategic consolidation options as a contingency plan.

Source: author's analysis, synthesized from Table 2 and Table 3.

The SO strategy includes accelerating market penetration through the integration of protection products into BNI's digital banking ecosystem, leveraging the strength of the bancassurance network and the growth in the number of insured and national internet penetration, as well as diversifying pure and sharia protection products in response to the shift in market preferences from unit-linked to traditional products. The WO strategy includes accelerating the digital transformation of customer service by referring to the precedents of state-owned insurance digital platforms such as One by IFG, as well as community-based insurance literacy and education programs utilizing the BNI Group's extensive customer base to close the insurance literacy-inclusion gap.

The ST strategy includes accelerating the fulfillment of minimum equity by optimizing strategic shareholder support to mitigate the threat of the second phase of POJK 23/2023 deadline in 2028, as well as strengthening actuarial capabilities and reporting systems based on PSAK 117 as a competitive differentiation in the eyes of regulators and investors. The WT strategy includes diversifying non-bancassurance distribution channels to minimize channel concentration risk while anticipating insurtech disruption, as well as periodically evaluating strategic consolidation options as a contingency plan considering the predicted wave of industry mergers and acquisitions approaching 2028. The prioritization of the eight strategies can be mapped based on two dimensions: strategic impact on the company's performance and sustainability, and complexity and timescale of implementation. The strategy of accelerating the fulfillment of minimum equity (ST1) and strengthening the actuarial-reporting capabilities of PSAK 117 (ST2) is urgent and must be prioritized in the short term (less than one year), considering that the deadline for the first stage of POJK 23/2023 regulations falls at the end of 2026. These two strategies can be implemented relatively quickly by BNI Life given the capital support from two large-scale strategic shareholders, although they still require careful governance coordination between BNI Group and Sumitomo Life regarding the capital increase scheme or optimization of the existing capital structure. The strategy of integrating protection products into BNI's digital banking ecosystem (SO1) and accelerating the digital transformation of customer services (WO1) is a medium-term strategy (one to three years), because it requires information technology investment and business process adjustments that cannot be completed instantly, but have the potential to have a significant impact on revenue growth and operational efficiency in the medium to long term. The diversification strategy of pure and sharia protection products (SO2), community-based insurance literacy and education programs (WO2), and diversification of non-bancassurance distribution channels (WT1) is a medium- to long-term strategy that requires the gradual development of new capabilities. The evaluation of strategic consolidation options (WT2) serves as a contingency plan that will only be relevant if the capital or competitive pressure scenario worsens significantly ahead of the 2028 KPPE deadline.

From an implementation feasibility perspective, strategies that utilize BNI Life's existing VRIO resources, such as the BNI Group bancassurance network and the transfer of actuarial expertise from Sumitomo Life, have a higher level of implementation feasibility than strategies that require building new capabilities from scratch, such as developing an independent insurtech platform equivalent to One by IFG. Therefore, the recommended implementation priority order is to start with strategies that utilize existing resources (ST1, ST2, SO1) as a foundation, then gradually develop new capabilities required for medium-long-term strategies (SO2, WO1, WO2, WT1), while the WT2 strategy remains monitored as a strategic backup option. All of these strategic recommendations can be integrated into the Triple Bottom Line framework (Elkington, 1997): in the Profit pillar, the ST strategy ensures long-term sustainability of financial performance and regulatory compliance, while protecting the company's valuation from the risk of downgrade due to capital non-compliance; in the People pillar, the SO and WO strategies contribute

to expanding public access to financial protection and closing the national protection gap, in line with BNI Life's role as part of a state-owned enterprise group mandated to contribute to national financial inclusion; and in the Planet pillar, BNI Life is recommended to direct part of its investment portfolio to sustainability-themed instruments such as green sukuk and sustainable bonds, in line with the development of the OJK's sustainable finance taxonomy and sustainability reporting obligations under POJK 51/2017. These three pillars do not stand alone, but rather reinforce each other: solid capital compliance (Profit) provides fiscal space for the company to invest in literacy programs (People) and green investment instruments (Planet), while contributions to financial inclusion and environmental sustainability in turn strengthen the reputation and trust capital that support long-term business performance.

Responsibility for implementing these eight strategies also needs to be clearly distributed across organizational functions to avoid overlap or neglect. Strategies ST1 (accelerating minimum equity compliance) and ST2 (strengthening actuarial-reporting capabilities) should ideally be the primary responsibility of the finance, actuarial, and risk management functions, with direct oversight from the board of directors and board of commissioners, given their nature regarding regulatory compliance and capital structure. Strategies SO1 (product integration into BNI's digital banking ecosystem) and WO1 (accelerating digital transformation of customer service) should ideally be the joint responsibility of the information technology and marketing-distribution functions, with cross-entity coordination within the BNI Group to ensure smooth technical and commercial integration. Strategies SO2 (diversification of pure and sharia protection products) and WO2 (community-based insurance literacy programs) should ideally be the responsibility of the product development and public relations/corporate social responsibility functions. The WT1 (diversification of non-bancassurance distribution channels) and WT2 (evaluation of strategic consolidation options) strategies require direct involvement of top management and strategic shareholders considering their implications for the company's long-term business direction.

4.5 Managerial and Policy Implications

For BNI Life management, the findings of this study indicate the need to balance short-term regulatory compliance with medium- to long-term strategic transformation. Management is advised to establish a cross-functional task force specifically addressing the implementation of PSAK 117 and compliance with POJK 23/2023's minimum equity in an integrated manner, given that both transformation agendas mutually impact the reported capital structure. At the same time, management needs to ensure that organizational resources devoted to the compliance agenda do not compromise the momentum of digital transformation and product diversification, which are key to long-term competitiveness, given the ongoing trend of declining unit-linked preferences and competitive pressure from insurtech players, regardless of regulatory deadlines.

For strategic shareholders of PT Bank Negara Indonesia (Persero) Tbk and Sumitomo Life Insurance Company, the main implication of this research is the importance of aligning long-term interests related to the capital increase scheme and strategic priorities of BNI Life amidst regulatory dynamics. The complexity of governance as a joint venture company identified as a structural weakness in the SWOT analysis requires a more efficient coordination mechanism between shareholders, especially in making urgent strategic decisions such as accelerating the fulfillment of minimum equity. For regulators, particularly the Financial Services Authority (OJK), the findings of this study indicate that insurance companies formed through bank-insurance partnerships with the capital support of large-scale strategic shareholders are relatively better prepared to face regulatory deadlines than insurance companies with more limited capital structures. Policy implications that can be considered include the possibility of differentiating supervisory approaches or providing additional incentives for insurance companies that proactively invest in insurance literacy and inclusion programs amidst the burden of dual regulatory transformation, considering that strengthening national insurance literacy and inclusion is a long-term agenda that aligns with the OJK's 2023-2027 Roadmap for the Development and Strengthening of the Indonesian Insurance Industry (Antara News, 2023).

For stakeholders in the life insurance industry more broadly, the findings of this study offer an analytical framework that can be replicated in other life insurance companies with similar ownership characteristics, particularly companies resulting from bank-insurance partnerships that face comparable structural challenges: distribution channel concentration, dual regulatory transformation burdens, and governance complexities as joint ventures. As a closing note on the strategic recommendations section, it is important to emphasize that the eight strategies formulated through the TOWS matrix are complementary and not mutually exclusive. BNI Life management does not need to select only a few strategies for implementation, but is instead advised to develop an implementation roadmap that integrates all strategies according to the outlined time priorities and responsibilities, with periodic adjustments based on the progress of each regulatory deadline. This integrated roadmap approach also allows management to identify potential synergies between strategies, for example between the digital product integration strategy (SO1) and the sharia product diversification strategy (SO2), where the same digital channel can potentially be utilized to market

both product categories simultaneously, so that the information technology investment made can provide dual benefits without requiring the development of separate platforms for each product line.

4.6 Relationship between Findings and Theoretical Discussion

The findings of this study generally support the Resource-Based View (Barney, 1991) proposition that sustainable competitive advantage stems from resources that meet the VRIO criteria. The bancassurance distribution network and transfer of actuarial expertise from Sumitomo Life proved to be strategic resources that differentiate BNI Life from competitors without similar affiliations, in line with the RBV argument that valuable, rare, difficult to imitate, and organized resources form the basis of long-term competitive advantage. However, the findings of this study also confirm Ghazinoory, Abdi, and Azadegan-Mehr's (2011) criticism of the limitations of the SWOT framework when used without empirical data support; in this study, the integration of actual financial performance data (total assets, investment returns, digital claims realization) into the SWOT analysis proved to strengthen the objectivity of the assessment of identified strengths and weaknesses, compared to when the analysis relied solely on descriptive qualitative assessments.

At the external analysis level, this study's findings support Rejda and McNamara's (2021) argument that political and legal dimensions have a relatively greater influence on highly regulated financial services industries like insurance. The convergence of PSAK 117 and POJK 23/2023, the primary focus of this study's PESTEL analysis, provides concrete evidence of how regulatory changes can directly alter the capital structure and business models of insurance companies, surpassing the influence of other PESTEL dimensions, such as Social or Technological, which are more gradual. At the sustainability level, the findings of this study extend the application of the Triple Bottom Line framework (Elkington, 1997) and stakeholder theory (Freeman, 1984) to the specific context of life insurance companies resulting from bank-insurance partnerships in developing countries, a context that is relatively unexplored in the corporate sustainability literature that generally focuses more on the manufacturing or extractive sectors. This study shows that for life insurance companies, the dual role as providers of social protection (People dimension) and long-term institutional investors (Planet dimension) provides a different entry point to sustainability than other sectors, where regulatory compliance (Profit dimension) is actually a prerequisite that must be met first before the company has the fiscal space to invest further in the People and Planet agenda.

In closing the discussion of the TOWS matrix, it is important to emphasize that the successful implementation of the eight formulated strategies depends heavily on BNI Life's management's ability to manage the trade-off between speed of execution and prudent governance. As a joint venture with two strategic shareholders from different corporate backgrounds, every major strategic decision, particularly those concerning the allocation of additional capital, prioritizing technology investments, or evaluating consolidation options, requires a consultation and mutual approval process that naturally takes longer than a company with a single ownership structure. On the one hand, this process provides a layer of prudence (checks and balances) that is useful in preventing hasty strategic decisions; on the other hand, this process has the potential to slow the company's responsiveness to changes in the fast-paced business environment, as reflected in the dynamics of Bank Indonesia's benchmark interest rate, which changed several times throughout 2025-2026. Therefore, BNI Life's management is advised to develop a fast-track decision-making mechanism specifically for operational decisions that do not require shareholder-level approval, while maintaining a full consultation mechanism for major strategic decisions that have a long-term impact on the company's business direction.

4.7 Capital Compliance Scenario Analysis

Based on the available minimum equity compliance data trend of 109 of the total insurance and reinsurance companies in October 2025 (Kontan.co.id, 2025a) increasing to 112 of 144 companies or 77.8 percent in November 2025 (Kontan.co.id, 2025c), three indicative scenarios can be drawn up regarding the industry's compliance trajectory towards the 2026 deadline. The optimistic scenario assumes a continued rate of compliance improvement consistent with the October-November 2025 trend, so that the majority of remaining companies can comply before the deadline, with a relatively limited wave of consolidation concentrated in the very small-scale company segment. The moderate scenario assumes a slowing rate of compliance as the remaining companies become increasingly difficult to comply with because companies that have complied at an early stage are generally companies with a relatively stronger capital foundation, so that some companies require extensions or limited consolidation options closer to the deadline. The pessimistic scenario assumes that macroeconomic pressure in the form of an increase in the BI Rate to around 6 percent (Bisnis.com, 2026b) will also burden the ability of a number of insurance companies to strengthen capital through retained earnings, thus encouraging a broader wave of consolidation as projected by Sentanabroker.co.id (2025).

For BNI Life, these three scenarios have relatively different implications compared to competitors with limited capital. Capital support from two large strategic shareholders, PT Bank Negara Indonesia (Persero) Tbk and Sumitomo Life Insurance Company, gives BNI Life a relatively stronger position in all three scenarios, including the pessimistic scenario. However, the pessimistic scenario remains relevant for BNI Life management to consider from a strategic opportunity perspective: a broader wave of consolidation in this scenario has the potential to open up opportunities for inorganic expansion through the acquisition of customer portfolios or new distribution partnerships from insurance companies unable to meet capital requirements independently, in line with the strategic consolidation evaluation option (WT2) identified in the TOWS matrix in subsection 4.4. More broadly, the findings of this study also illustrate how David's (2017) strategic management stages of strategy formulation, implementation, and evaluation can be concretely applied in the context of life insurance companies facing multidimensional regulatory pressures. The strategy formulation stage is reflected in the TOWS matrix development process based on the results of the SWOT and PESTEL analyses in subsections 4.2 to 4.4; the implementation stage is reflected in the mapping of time priorities and strategic responsibilities in subsection 4.4; while the strategy evaluation stage, although outside the direct scope of this secondary data-based research, can be an agenda for further research that measures the effectiveness of the implementation of these strategies after the regulatory transition period of 2025-2028 has passed. The interconnectedness of these three strategic management stages emphasizes that the strategic recommendations generated by this study are not the end point of the analysis, but rather part of a continuous strategic management cycle and need to be continuously evaluated as BNI Life's business environment develops in the future.

5. CONCLUSION

In summary, this study answers the four research questions posed in the introduction. First, BNI Life's internal environment is characterized by strengths in capitalization, strategic partnerships, and product-distribution diversification, balanced by weaknesses in channel concentration, physical service coverage, and the burden of multiple regulatory transformations. Second, the external environment is shaped by six PESTEL dimensions, with the Legal and Economic dimensions having the most dominant influence. Third, empirical data collected from publications by regulators, industry associations, and verified financial media provide a quantitative basis that strengthens the objectivity of the SWOT and PESTEL analyses presented. Fourth, sustainability-based strategic recommendations formulated through the TOWS matrix and aligned with the Triple Bottom Line framework provide a relevant strategic roadmap for BNI Life's management in facing the ongoing convergence of regulatory, accounting, and macroeconomic challenges. PT BNI Life Insurance's internal environment is characterized by significant strengths in capital support and a bancassurance distribution network from the BNI business group, a strategic partnership with Sumitomo Life Insurance Company, solid asset performance, and product and distribution channel diversification. As viewed through the VRIO criteria, these resources meet the four requirements for sustainable competitive advantage: valuable, rare, difficult to imitate, and organized. However, the company also faces structural weaknesses in the form of distribution channel concentration, limited physical service network coverage, exposure to the downward trend in unit-linked products, the burden of multiple regulatory transformations, the complexity of governance as a joint venture, and the maturity of digitalization that still needs to be accelerated. The external environment is shaped by the complex interaction of six PESTEL dimensions, with the Legal and Economic dimensions having the greatest influence through the convergence of the implementation of PSAK 117 and POJK 23/2023 amidst the dynamics of rising Bank Indonesia benchmark interest rates.

The sustainability-based strategic recommendations formulated through the TOWS matrix include eight strategies integrated within the Triple Bottom Line framework, including accelerating digital market penetration, product diversification, accelerating digital transformation, strengthening insurance literacy, optimizing capital, strengthening actuarial-reporting capabilities, diversifying distribution, and evaluating strategic consolidation options as a contingency plan. These eight strategies can be grouped based on the scope of implementation time, with the strategy of accelerating minimum equity fulfillment and strengthening actuarial-reporting capabilities being urgent and needing to be prioritized in the short term, while the strategy of product diversification, digital transformation, and strengthening literacy are medium- to long-term strategic that require gradual capability development.

For BNI Life management, it is recommended to prioritize strategies that have a dual impact on both the Profit and People dimensions simultaneously, particularly the integration of protection products into BNI's digital banking ecosystem, while establishing a cross-functional coordination mechanism that ensures the short-term regulatory compliance agenda does not sacrifice the momentum of medium- to long-term strategic transformation. For strategic shareholders, it is recommended to strengthen governance coordination mechanisms to accelerate strategic decision-making regarding capital and business priorities. For regulators, it is recommended to consider a transition period or additional incentives for insurance companies that actively invest in insurance literacy and

inclusion programs amidst the burden of dual regulatory transformation currently facing all industry players. This study has a methodological limitation in the absence of primary data from direct interviews with BNI Life management, so the analysis of the company's internal conditions relies entirely on published secondary data. Future research is recommended to complement this secondary data-based analysis with primary data through in-depth interviews with BNI Life management and stakeholders, in order to gain a richer understanding of strategic considerations that are not publicly published. Future research is also recommended to expand the unit of analysis to a cross-company comparison (comparative case study) with other bank-insurance partnership life insurance companies in Indonesia, to strengthen the generalizability of the findings to the broader context of the Indonesian life insurance industry, and consider a quantitative approach to more precisely measure the impact of PSAK 117 implementation on the capital structure and financial performance of life insurance companies after the 2025-2028 transition period.

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